

UEZ takes control of old Torrington property

By PAUL DODSON
Tribune Business Writer

SOUTH BEND — The Urban Enterprise Zone took possession Wednesday of the old Torrington Co. property for use as a business incubator.

The closing on the transaction came 18 months of work by the UEZ in obtaining the factory complex at 3702 W. Sample St.

Under the transaction, Torrington

agreed to donate several buildings and 14 acres of land to the UEZ. In return, the UEZ agreed to pay up to \$125,000 toward the cost of environmental cleanup at the site.

Torrington agreed to pay pollution remediation costs above \$125,000. A consulting company, Best Environmental Inc. of Channahon, Ill., which performed tests at the site, estimated the cleanup

will cost about \$2.5 million.

The company also agreed to indemnify the UEZ for five years following the pollution cleanup project, which would be monitored by the Indiana Department of Environmental Management. This means the company would be responsible for additional pollution cleanup costs if ordered by IDEM.

Pamela Meyer, UEZ director, said the Torrington site is valued

for insurance purposes at more than \$8 million.

Creation of the business incubator has been a key goal of communally economic development leaders. This would be a place where small, start-up companies would receive low-rent, low-cost shared office services and business advice from a variety of experts.

While there is a high percentage of failure in start-up companies, ex-

perience elsewhere has shown that business incubators can help new firms survive the perilous early months and years.

The South Bend Board of Public Works will assist the UEZ in the bidding process on the environmental cleanup of the site.

This vast majority of the cost — an estimated \$2.5 million — will go

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for removing industrial solvents from ground water. This will involve drilling six 60-foot wells, from which chemical-laden water will be pumped at the rate of 500,000 gallons a day. This water-pumping could go on for as long as 10 years.

The well water would be dumped into the South Bend sanitary sewer system for treatment. The Best Environmental report said, "Currently, the city of South Bend allows industrial users to discharge untreated waste water with total volatile organic compound levels of two parts per million. From available ground water data, it appears that recovered untreated ground water could meet these discharge standards."

Volatile organic compounds found in the ground water include chloroethane; 1,1-dichloroethane; trans-1,2-dichloroethylene; 1,1,1-trichloroethane; trichloroethylene;

vinyl chloride; 1,1,1-dichloroethene; and cis-1,2-dichloroethene.

The cleanup also involves removal of oily solids and sludge from a dumping pit at a cost of \$16,000; removing 30 cubic yards of lead-based paint chips at a cost of \$75,000; and removing 250 cubic

yards of polluted soil in and around a pond at a cost of \$102,500.

Manufacturing at the site dates from 1898 when Banlam Bearing Co. began to make metal bearings there. Torrington had done manufacturing work at the site for more than 50 years before closing the plant in 1983.

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Potential exists for business incubator

PAUL DODSON
ON THE BUSINESS BEAT

Let us hope South Bend's proposed new business incubator fares better than its previous incubator.



This past week, the Urban Enterprise Zone accepted the donation of the old Torrington Co. factory complex on Sample Street.

The UEZ intends to turn this abandoned manufacturing center into a business incubator, a place where new companies can receive special nurturing in an effort to help them survive the perils of the start-up period when the majority of such companies fail.

The vision behind incubators is that this could be the place where great companies of tomorrow will get their starts. Remember, giants like Whirlpool, Ford and even IBM had humble beginnings.

The community's first business incubator, at the former Control Data Building, has faded from view. The project started out in 1984 with high hopes but has since become just another downtown office building.

The Control Data incubator was intended for office-based businesses. The UEZ incubator will be different. It will concentrate on manufacturing companies.

Several local economic development agencies will help the UEZ in operating the business incubator, including Project Future, the Chamber of Commerce of St. Joseph County and Small Business Development Center.

stitute for New Business Ventures has authorized a \$250,000 grant and a \$250,000 loan to the UEZ to help launch the incubator.

The UEZ is getting a good deal on the old Torrington complex, even though it will have to pay up to \$125,000 of the cost of an environmental cleanup of the property. The UEZ had previously paid \$137,000 for environmental testing to determine the extent of the pollution problems at the site which had been used for manufacturing since 1898.

Testing showed that the 14-acre site is polluted with industrial chemicals, lead paint, oily sludges, asbestos and transformers containing PCBs.

Such pollution is typical for old plant sites. The property had been used for manufacturing for 86 years before operations stopped in 1984. This covered a period before environmental awareness and enforcement. But the pollution is not that severe and can be corrected with a lot of bucks supplied by Torrington.

The Torrington, Conn.-based company has agreed to pay for the bulk of the pollution cleanup, over and above UEZ's \$125,000 obligation. The company has also agreed to indemnify the UEZ for five years following the initial cleanup. That means that during that five years, if the Indiana Department of Environmental Management determines further pollution problems exist, Torrington will be responsible for the cost of cleanup.

So what is the UEZ getting? It will have a strategically located site containing buildings that enclose some 352,000 square feet. These buildings are in good condition and include space suitable for offices, manufacturing and warehousing.

The buildings at the site have sat unused for seven years and some renovation is necessary. Some portions of the buildings could be used in their present conditions, especially in the warehouse area, while other portions would have to be modified for small-scale manufacturing operations and office use.

Pamela Meyer, UEZ program manager, said renovation work could begin within four to five months.

Meyer said UEZ's renovation costs could top \$2 million. This would pay for such necessary things as subdividing the space and installing heating, lighting and communication equipment. The UEZ would also be responsible for removing asbestos and the PCB-laden transformers.

The renovation, environmental testing and environmental cleanup would put UEZ's costs in the area of \$2.5 million. That's not a bad price for a building complex that will initially have a value in excess of \$8 million for insurance purposes.